

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Periodic Reporting of Service
Performance

Docket No. RM2022-7

COMMENTS OF THE ASSOCIATION FOR POSTAL COMMERCE
(June 3, 2022)

Pursuant to Order No. 6160, the Association for Postal Commerce (“PostCom”) submits these comments regarding periodic reporting of service performance.

Service quality is of the utmost importance to PostCom’s members, which collectively account for billions of dollars in postage spending annually. While commercial mailers often track every piece of mail they send, and therefore may know more about service quality than members of the general public, efforts by the Commission to enforce public reporting requirements are an important element in ensuring that postal customers receive the service level that they pay for.

PostCom appreciates and commends the Commission’s effort to bring clarity and transparency to service performance reporting. The five requirements proposed by the Commission will facilitate better understanding of the Postal Service’s performance. For each, PostCom suggests possible modifications or enhancements intended to make service performance measurement more valuable and useful.

I. Average Actual Calendar Days to Deliver

Conceptually, average days to deliver (“ADD”) is a more useful statistic than percentage of pieces delivered on time. Because on-time standards are arbitrary and prone to periodic revision, ADD should enable better comparisons between time periods. PostCom recommends

that the Commission strengthen this recommendation by clarifying the point at which the days to deliver begins.

For example, drop-shipped commercial mail may arrive via truck at a USPS facility at 10PM on day zero but not receive an acceptance scan for several hours, in which case the clock would start on day one. This specific scenario currently impacts service reporting if a truck arrives at a facility before critical entry time (“CET”), but is not unloaded until after CET. Single-piece First-Class Mail may also present challenges. For the consumer, the clock presumably starts when a letter is placed in a collection receptacle; however, the Postal Service would presumably start its clock when the piece is first cancelled. PostCom does not propose that the Commission need resolve all possible issues before implementing proposed changes; rather, it cautions that any statistic will present interpretation challenges and that refinements and improvements will be required.

In addition, if the Commission requires provision of ADD by the Postal Service, PostCom recommends that the Commission also require the Postal Service to report on dispersion around the average. For example, if the average for a particular product were 2.5 calendar days, it would be helpful to know the percentage that was delivered within three days, four days, et cetera. The Commission may also want to consider using delivery days in addition to calendar days.

II. Point Impact Data

As indicated in the Order, identifying the root causes of service failure may be useful in isolating significant drivers of delay for an individual product. Order at 5. To the extent that the Commission will be requiring more frequent collection and reporting of this data, PostCom urges that the cost to the Postal Service – which is ultimately borne by mailers – be weighed against

the expected utility of the data. As a general rule, the Commission should not require data collection that is useful only to the Postal Service for internal purposes unless there is a basis for concluding that the data is (or will be) actually used to reduce Postal Service costs and rates for mailers. To date, it does not appear that reporting requirements have spurred such cost-saving actions. PostCom appreciates the drive for additional transparency reflected in the ANOPR, but transparency into the delay drivers for individual products is valuable only to the extent it leads to corrective action. Indeed, stronger enforcement of service standards could be just as beneficial, as such enforcement would create incentives for the Postal Service to identify and correct operational problems causing delays (whether these problems themselves are reported to the Commission or not).

Presumably, analysis of point impact data is useful to the Postal Service and the Commission, but it is unclear that it provides much utility to the public. PostCom recognizes that the Order requires the Postal Service to quantify the cost of providing burdensome reporting. In this case, PostCom urges the Commission to weigh the relative costs and benefits carefully.

III. Operating Plan Targets

As with point impact data, measuring achievement of operating plan targets would appear to have diagnostic value. But, because the Postal Service operates hundreds of facilities, national aggregation of those results may result in a meaningless average, with results distorted by the largest locations. For example, in the most recent postal quarter, the Postal Service's Suncoast District processed nearly 700 million pieces of marketing mail, while the Alaska District reported fewer than 3 million.

The Commission may want to consider facility-level reporting for these statistics, or stratifying facilities based on size to create more meaningful comparisons. If the Commission

does consider more granular collection and reporting of operating plan data, PostCom again asks the Commission to enact measures to ensure the cost of collecting and reporting additional data are justified by requiring the Postal Service to take action to address identified issues—thus reducing costs that must be recovered in rates or enhancing the value mailers receive for the rates they pay.

IV. Non-postal Services

PostCom notes that in FY2021, non-postal services accounted for 0.03 percent of USPS revenues. While the Commission is legally required to create reporting requirements for the quality of service for the Postal Service's non-postal products, PostCom would suggest that, until and unless the number and size of the Postal Service's nonpostal products increases substantially, the Commission should seek to minimize the resources committed to this effort.

V. Mail Excluded from Measurement

PostCom has long recognized the need to measure performance and championed efforts to increase the quantity of mail subject to measurement. In Docket No. PI2022-3, PostCom commented favorably on the Postal Service's proposals to include reply mail and long-haul transport mail in measurement.

The Commission is correct to require reporting on mail excluded from measurement, disaggregated by cause. PostCom believes that the accompanying requirement – that the Postal Service report mail volumes measured and unmeasured by Full Service Intelligent Mail barcode (“IMb”) – be augmented.

Many pieces of mail that are excluded from measurement produce scan events that could enable service performance reporting. For instance, mail pieces that arrive on a broken pallet are excluded from measurement, though once inducted, such pieces may produce scan events that

enable measurement of days to deliver. PostCom recommends that the Commission seek ways to report on average days to deliver for excluded pieces, subject to notification that Postal Service business rules preclude inclusion in official measurement statistics.

VI. Other Considerations

As PostCom has pointed out in previous proceedings, the Postal Service's product definitions are broad and, in many cases, encompass multiple mailer use-cases. Consequently, any reporting scheme founded on existing product definitions will present an imperfect representation from the perspective of postal customers. The Postal Service recognizes this, as evidenced by its development of specific service type indicators ("STID") for political and ballot/election mail to enable more granular reporting than would otherwise be available. PostCom urges the Commission to expand this practice beyond the election mail context and require disaggregation of product level service performance data using STIDs.

The Postal Service collects voluminous service performance data. As the Commission seeks ways to provide greater transparency and detail, the form in which data are presented should also be considered. Existing performance reports, which are excel based, are easy to interpret, but require preparation, and are therefore limited. These reports may be helpful for a general audience, but sophisticated mailers and service providers that are comfortable with the underlying data could benefit from the provision of unfiltered data.

Accordingly, apart from specific data elements, the Commission should consider requiring direct provision of all Informed Visibility ("IV") data in formats more amenable to data mining. Broader availability of IV data would allow interested parties to perform independent analysis and thereby facilitate continuous improvement of service performance reporting.

Finally, efforts at improved transparency are needed and welcome; however, there is no substitute for accountability. Despite years of Postal Service reporting and remonstrations by the Commission, customers of the Postal Service rarely receive the level of service performance for which they are charged. The proposed requirements that point impact data and operating plan results be included in reporting appear intended to remedy this situation, but without any mechanism to enforce accountability, it is not clear that those efforts will produce the intended result. PostCom urges the Commission to build on the instant proceeding by considering regulatory changes that would create consequences for service failure, for example by requiring automatic refunds or by incremental reduction in rate authority.

Respectfully submitted,

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